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May 9. 2005

Public Service Commission of South Carolina
Docketing Department
P.O. Drawer 11649
Columbia, SC 29211

RE: Docket No. 2005-WS-87
Application of CUC, Inc. for Approval of New Schedule of Rates and Charges for Water and Sewerage Services Provided to its Customers at Callawassie Island and Spring Island in Beaufort County, South Carolina.

Dear Sir or Madam:

In response to your letter dated April 19, 2005, we are providing the following information:

1. The Notice of Filing was published in the Beaufort Gazette on April 29, 2005. A copy of the paper that includes the Notice is included herewith.
2. We certify that a copy of the Notice of Filing was mailed to each affected customer on April 29, 2005.
3. CUC, Inc. will have two witnesses and require approximately one and one-half hours to present our case.

Please contact me if you have any questions or if I may provide you with any additional information. Thank you for your assistance.

Sincerely,

Billy F. Burnett
President

Enclosures

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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-87-W/S

CUC, INC. -- APPLICATION FOR APPROVAL OF NEW SCHEDULE OF RATES AND CHARGES FOR WATER AND SEWERAGE SERVICES PROVIDED TO ITS CUSTOMERS AT CALLAWASSIE ISLAND AND SPRING ISLAND IN BEAUFORT COUNTY, SOUTH CAROLINA

CUC, Inc. (CUC or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for Approval of a New Schedule of Rates and Charges for Water and Sewerage Service provided to its Customers at Callawassie Island and Spring Island in Beaufort County, South Carolina. The Application was filed pursuant to South Carolina Public Service Commission's Rules and Regulations and S.C. Code Ann. § 58-5-240 (Law. Co-op. Supp. 2004).

According to the Application, the Company was established to provide sewer collection and sewer treatment service and water distribution service to 1,050 water customers and 584 sewer customers on Callawassie Island and Spring Island in Beaufort County.

The Company's current rates are as follows:

WATER SERVICE

1 Domestic Water	
0 - 2,500 Gallons (Minimum Charge)	\$13.50 / month
All over 2,500 Gallons	\$2.85 / 1,000 Gallons
2 Landscape Irrigation (separately metered)	
0 - 2,500 Gallons (Minimum Charge)	\$13.50 / month
All over 2,500 Gallons	\$2.85 / 1,000 Gallons
3 Commercial Water Service	
0 - 2,500 Gallons (Minimum Charge) 3/4" meter	\$13.50 / month
0 - 2,500 Gallons (Minimum Charge) 1" meter	\$20.00 / month
0 - 2,500 Gallons (Minimum Charge) 1-1/2" meter	\$20.00 / month
0 - 2,500 Gallons (Minimum Charge) 2" meter	\$30.00 / month
All over 2,500 Gallons	\$2.85 / 1,000 Gallons
4 Water Tap-In Fees	
3/4" Water Meter	\$525.00
1" Water Meter	\$700.00
Meter tap fees for meters larger than 1" will be negotiated on a cost plus service basis.	

The Company's proposed schedule of rates and charges are as follows:

WATER SERVICE

1 Monthly Charges	
Residential, Commercial, and Irrigation	
Base Facilities Charge	
By Meter Size	
5/8" x 3/4" Meter	\$20.00
1" Meter	\$25.00
1.5" Meter	\$30.00
2" Meter	\$35.00
Commodity Charge:	\$3.70 per 1,000 Gallons
2 Nonrecurring Charges	
Existing Water Tap-In Fee (New Connections Only)	
A 5/8" x 3/4" Meter	\$525.00
B 1" Meter	\$700.00
C Meter tap fees for meters larger than 1" will be negotiated on a cost plus service basis	
3 Notification, Account Set-Up, and Reconnection Charges	
A Notification Fee:	
A fee of four dollars (\$4.00) shall be charged each customer to whom the utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.	
B Customer Account Charge	
New Customers Only	\$13.50
A one-time fee to defray the cost of initiating service	
C Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty-five (\$35.00) shall be due prior to the utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R. 103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.	
4 Late Penalty Charge	
Company may charge a late-payment penalty up to the maximum amount allowed by applicable South Carolina Statute and/or South Carolina Public Service Commission rule.	
5 NSF Check Charge	
Company may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or South Carolina Public Service Commission rule.	
6 Billing Cycle	
Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.	

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1 Domestic Sewer	
Flat monthly charge of \$13.50 per month or 100% of the water bill, whichever is greater	
2 Commercial Sewer	
Flat monthly charge of \$13.50 per month or 100% of the water bill, whichever is greater	
3 Sewer Tap-In Fees	
3/4" Water Meter	\$625.00
1" Water Meter	\$700.00
1 - 1/4" Water Meter	\$800.00
1-1/2" Water Meter	\$900.00
2" Water Meter	\$1,000.00

DOCKET NO. 2005-87-WS NOTICE OF FILING AND HEARING**SEWER SERVICES**

1 Monthly Charges	
Residential and Commercial	
Base Facilities Charge	
By Meter Size 5/8" x 3/4" Meter	\$20.00
1" Meter	\$25.00
1.5" Meter	\$30.00
2" Meter	\$35.00
Commodity Charge:	\$3.70 per 1,000 gallons
All customers will be billed for sewer service at the base facilities charge or 100% of the water bill, whichever is greater. Customers that receive water service from Beaufort/Jasper Water and Sewer Authority (BJWSA) will be charged based on their consumption as determined by BJWSA meter readings.	
2 Nonrecurring Charges	
Existing Sewer Tap-In Fee (New Connections Only)	
A 5/8" x 3/4" Meter	\$625.00
B 1" Meter	\$700.00
C 1 - 1/2" Meter	\$900.00
D 2" Meter	\$1,000.00
3 Notification, Account Set-Up, and Reconnection Charges	
A Notification Fee:	
A fee of four dollars (\$4.00) shall be charged each customer to whom the utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.	
B Customer Account Charge	
New Customers Only	\$13.50
A one-time fee to defray the cost of initiating service	
C Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred and fifty dollars (\$250.00) shall be due prior to the utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R. 103-532.4. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if sewer service has been disconnected at the request of the customer.	
4 Late Penalty Charge	
Company may charge a late-payment penalty up to the maximum amount allowed by applicable South Carolina Statute and/or South Carolina Public Service Commission rule.	
5 NSF Check Charge	
Company may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or South Carolina Public Service Commission rule.	
6 Billing Cycle	
Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.	

A copy of the Company's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, PO Drawer 11649, Columbia, South Carolina 29211. Additionally, the CUC's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on **Thursday, September 8, 2005 at 10:30 a.m.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **May 19, 2005** and indicate the amount of time required for his presentation. *Please refer to Docket No. 2005-87-W/S.*

Any person who wishes to testify and present evidence at the hearing, should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Steven G. Mikell, Esquire, Mikell Law Firm, 310 West Pine Street, Florence, South Carolina 29501 on or before **May 19, 2005** and indicate the amount of time required for his presentation. *Please refer to Docket No. 2005-87-W/S.*

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **May 19, 2005**. *Please refer to Docket No. 2005-87-W/S.*

Any person who wishes to request a hearing in his or her county of residence should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Steven G. Mikell, Esquire, Mikell Law Firm, 310 West Pine Street, Florence, South Carolina 29501. *Please refer to Docket No. 2005-87-W/S.*

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211